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November 13, 2000

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EXHIBIT

VIA FACSIMILE AND HAND DELIVERY

H. Lynn Greer, Jr.
Director
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

**RE: Clarification of Order Adopting Interim Rates
Docket No. 00-00544**

Dear Director Greer:

We are writing on behalf of the Data Coalition, comprised of Covad, BlueStar, Broadslate, and Mpower Communications, to request clarification of the Order Adopting Interim Rates, issued in this docket on November 7, 2000.

As you know, the Data Coalition requested that the Tennessee Regulatory Authority set interim rates on various DSL elements and related services, including the Unbundled Copper Loop ("UCL"), Line Sharing, Loop Conditioning, Access to Loop Makeup Information, and Network Terminating Wire.

It is clear that the Tennessee Regulatory Authority has found that, on an interim basis at least, competitive carriers should pay the service level 1 ("SL1") voice grade loop rate for copper loops they order, irrespective of whether those loops are used for voice, voice and data, or data alone. Thus, when competitors order the UCL product from BellSouth, competitors should pay, in the interim until final rates are set, the 2-wire analog voice grade, SL1, loop rate of \$12.16 recurring and the nonrecurring rate of \$31.99 (the 2-wire analog voice grade loop, SL1 rate, set in docket 97-01262). The Authority has clearly recognized that a loop that supports voice or voice and data or simply data should be priced at the SL1, voice grade rate, on an interim basis.

BellSouth has taken the opposite position. In proposed amendments to its Interconnection Agreements purportedly incorporating the Authority's interim rates (see attached proposal to Covad), BellSouth has limited the Authority's holding by precluding competitors from purchasing the UCL at the voice grade SL1 rate, when competitors are planning to use this loop only for data service. As a primary matter, BellSouth should not and cannot control which services competitors place on the unbundled network elements. Moreover, the use of a facility (whether for voice service or for data service) should not effect the ultimate rate paid by competitors. We believe BellSouth's position contrasts sharply with both the spirit and the letter of the Authority's November 7, 2000 Order.

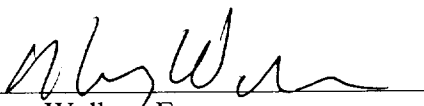
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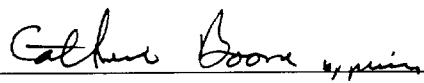
November 13, 2000

Page 2


We ask that the Authority clarify its Order Adopting Interim Rates so that BellSouth will not be able to confuse what was otherwise a simple and effective decision by the Authority. Line Sharing rates should be as set forth in the Order, and the Authority should specifically hold that, in the interim, competitors may purchase the UCL at the 2-wire analog voice grade, SL1, rate.

Respectfully Submitted,

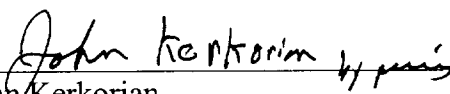

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cc: Service List

AMENDMENT TO
INTERCONNECTION AGREEMENT BETWEEN
BELLSOUTH TELECOMMUNICATIONS, INC.
AND DIECA COMMUNICATIONS, INC. D/B/A
COVAD COMMUNICATIONS COMPANY
DATED DECEMBER 1, 1998

Pursuant to this Agreement (the "Amendment"), BellSouth Telecommunications, Inc. ("BellSouth") and DIECA COMMUNICATIONS, INC. d/b/a Covad Communications Company ("DIECA") hereinafter referred to collectively as the "Parties", hereby agree to amend that certain Interconnection Agreement between the Parties dated December 1, 1998 ("Interconnection Agreement").

NOW THEREFORE, in consideration of the mutual provisions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, BellSouth and DIECA hereby covenant and agree as follows:

1. Attachment 2 of the Interconnection Agreement is hereby amended to include a new section 2.5 for the state of Tennessee as follows:

2.5 Unbundled Loop Modifications (Line Conditioning)

- 2.5.1 Subject to applicable and effective FCC rules and orders, BellSouth shall condition loops, as requested by DIECA, whether or not BellSouth offers advanced services to the End User on that loop.
- 2.5.2 Loop conditioning is defined as the removal from the loop of any devices that may diminish the capability of the loop to deliver high-speed switched wireline telecommunications capability, including xDSL service. Such devices include, but are not limited to, load coils, bridge taps, low pass filters, and range extenders.
- 2.5.3 The Unbundled Loop Modifications (ULM) offering provides the following elements: 1) removal of equipment on loops equal to or less than 18kft; 2) removal of equipment of loops longer than 18kft; and 3) removal of bridged-taps on loops of any length.
- 2.5.4 BellSouth shall recover the cost of line conditioning requested by DIECA through a recurring charge and/or nonrecurring charge(s) in accordance with the FCC's forward-looking pricing principles promulgated pursuant to Section 252 (d) (1) of the Act and in compliance with FCC Rule 52.507 (e).

2.6 Preordering Loop Makeup (LMU)

2.6.1 Description of Service

- 2.6.1.1 BellSouth shall make available to DIECA loop makeup (LMU) data for BellSouth's network facilities. This section addresses LMU as a

preordering transaction, distinct from DIECA ordering any other service(s). Loop Makeup Service Inquiries (LMUSI) for preordering loop makeup are likewise unique from other preordering functions with associated service inquiries (SI) as described in this Agreement.

- 2.6.1.2 BellSouth will provide DIECA with loop makeup information consisting of the composition of the loop material (copper/fiber); the existence, location and type of equipment on the loop, including but not limited to digital loop carrier or other remote concentration devices, feeder/distribution interfaces, bridge taps, load coils, pair-gain devices; the loop length; and the wire gauge. The LMUSI may be utilized by DIECA for the purpose of determining whether the loop requested is capable of supporting DSL service or other advanced data services. The determination shall be made solely by DIECA and BellSouth shall not be liable in any way for the performance of the advanced data services provisioned over said loop.
- 2.6.1.3 BellSouth's LMU information is provided to DIECA as it exists either in BellSouth's databases or in its hard copy facility records. BellSouth does not guarantee accuracy or reliability of the LMU information provided.
- 2.6.1.4 BellSouth offers LMU information for the sole purpose of allowing DIECA to determine whether, in DIECA's judgment, BellSouth's loops will support the specific services that DIECA wishes to provide over those loops. DIECA may choose to use equipment that it deems will enable it to provide a certain type and level of service over a particular BellSouth loop; however, such configurations may not match BellSouth's or the industry's standards and specifications for the intended type and level of service. Accordingly, DIECA shall be responsible for insuring that the specific loop type (ADSL, HDSL, or otherwise) ordered on the LSR matches the LMU of the facility requested. DIECA bears full responsibility for being knowledgeable of BellSouth's technical standards and the specifications of BellSouth's loops. DIECA bears full responsibility for making the appropriate ordering decisions of matching BellSouth loops with DIECA's equipment for accomplishing DIECA's end goal for the intended service it wishes to provide its end-user(s). DIECA is fully responsible for any of its service configurations that may differ from BellSouth's technical standard for the loop type ordered.
- 2.6.2 Submitting Loop Makeup Service Inquiries
- 2.6.2.1 DIECA will be able to obtain LMU information by submitting a LMUSI mechanically or manually. Mechanized LMUSIs should be submitted through BellSouth's Operational Support Systems interfaces. After obtaining the resulting loop data from the mechanized LMUSI process, if DIECA determines that it needs further loop data information in order to make a determination of loop service capability, DIECA may initiate a separate manual SI for a separate nonrecurring charge as set forth in Section 2.6.2.3. Mechanized LMU has been made available for limited

deployment to those CLECs that have effective X-Digital Subscriber Line (xDSL) Beta Test Agreements in place with BellSouth. CLECs will be notified once a successful Beta Test has been completed, and mechanized LMU shall then be available to DIECA.

- 2.6.2.2 **Manual LMUSIs shall be submitted on the preordering manual LMUSI form by means of fax or electronic-mail to BellSouth's Complex Resale Support Group (CRSG)/Account Team utilizing the Preordering Loop Makeup Service Inquiry form. The standard service interval for the return of a Loop Makeup Manual Service Inquiry is seven business days. This service interval is distinct from the interval applied to the subsequent service order. Manual LMUSIs are not subject to expedite requests.**
- 2.6.2.3 **LMUSI Types and Associated Charges**
- 2.6.2.3.1 **DIECA may request LMU information by submitting LMUSIs in accordance with the rate elements in Exhibit 1-TN.**
- 2.6.2.3.2 **DIECA will be assessed a nonrecurring charge for each facility queried as specified in Exhibit 1-TN. Rates for Tennessee are interim and subject to true-up pending approval of final rates by the respective State Commission. True-ups will be retroactive to the effective date of this Agreement.**
- 2.6.2.3.3 **DIECA may reserve facilities for up to four (4) days in connection with a LMUSI. Reserved facilities for which DIECA does not plan to place a UNE local service request (LSR) should be cancelled by DIECA. Should DIECA wish to cancel a reservation on a spare facility, the cancellation will require a facility reservation number (RESID/FRN).**
- 2.6.2.3.4 **The reservation holding timeframe is a maximum of four days from the time that BellSouth's LMU data is returned to DIECA for the facility queried. During this holding time and prior to DIECA's placing an LSR, the reserved facilities are rendered unavailable to other customers, whether for CLEC(s) or for BellSouth. Notwithstanding the foregoing, BellSouth does not guarantee that a reservation will assure DIECA's ability to order the exact facility reserved.**
- 2.6.2.3.5 **If DIECA does not submit an LSR for a UNE service on a reserved facility within the four-day reservation timeframe, the reservation of that spare facility will become invalid and the facility will be released.**
- 2.6.2.3.6 **Charges for preordering LMUSI are separate from any charges associated with ordering other services from BellSouth.**
- 2.6.2.4 **Ordering of Other UNE Services**
- 2.6.2.4.1 **Whenever DIECA has reserved a facility through BellSouth's preordering LMU service, should DIECA seek to place a subsequent UNE LSR on a reserved facility, DIECA shall provide BellSouth the RESID/FRN of the**

single spare facility on the appropriate UNE LSR., DIECA will be billed the appropriate rate element for the specific type UNE loop ordered by DIECA as set forth in this Attachment. DIECA will not be billed any additional Loop Makeup charges for the loop so ordered. Should DIECA choose to place a UNE LSR having previously submitted a request for *preordering LMU without a reservation*, DIECA will be billed the appropriate rate element for the specific UNE loop ordered as well as additional Loop Makeup charges as set forth in this Attachment. Rates are provided in Exhibit 1-TN in this Attachment.

- 2.6.2.4.2 Where DIECA submits an LSR to order facilities reserved during the LMUSI process, BellSouth will use its best efforts to assign to DIECA the facility reserved as indicated on the return of the LMU. Multi-facility reservations per single RESID/FRN as provided with the mechanized LMUSI process are less likely to result in the specific assignment requested by DIECA. For those occasions when BellSouth cannot assign the specific facility reserved by DIECA during the LMU pre-ordering transaction, due to incomplete or incorrect information provided by DIECA during the ordering process, BellSouth will assign to DIECA, subject to availability, a facility that meets the BellSouth technical standards of the BellSouth type loop as ordered by DIECA. If the ordered loop type is not available, DIECA may utilize the Unbundled Loop Modification process or the Special Construction process, as applicable, to obtain the loop type ordered.

2. Pursuant to Exhibit 9 of Attachment 12 of the Interconnection Agreement, the Parties hereby agree to add the rates for Unbundled Loop Modification/Conditioning and Loop Make Up for the state of Tennessee as set forth in Exhibit 1-TN. Based on the results of the Tennessee Regulatory Authority (TRA) hearing on September 26, 2000 in Docket No. 00-00544 the interim rates for Unbundled Loop Modification/Conditioning and Loop Make Up in Tennessee shall be as set forth in Exhibit 1-TN. These rates shall be subject to retroactive true-up once permanent rates have been established by the Authority.

3. The Parties hereby agree to revise the rates for Unbundled Network Element Line Sharing for the state of Tennessee found in the Amendment dated April 25, 2000. Based on the results of the Tennessee Regulatory Authority (TRA) hearing on September 26, 2000 in Docket No. 00-00544 the interim rates for Line Sharing in Tennessee shall be as set forth in Exhibit 1-TN. These rates shall be subject to retroactive true-up once permanent rates for Line Sharing elements have been established by the Authority.

4. The Parties agree that the rates for Tennessee found in the Amendment dated April 25, 2000 which amended Attachment 2 of the Interconnection Agreement, that are associated with the following rate elements are hereby deleted and replaced with new rates for like elements hereto attached as Exhibit 1-TN.

5. The Parties agree that the rates for Tennessee found in the Amendment dated April 25, 2000 which amended Attachment 2 of the Interconnection Agreement, is hereby amended to include the new rate elements found in Exhibit 1-TN hereto attached.

6. The Parties agree that all of the other provisions of the Interconnection Agreement, dated December 1, 1998, shall remain in full force and effect.

7. The Parties further agree that either or both of the Parties is authorized to submit this Amendment to the Tennessee Regulatory Authority or other regulatory body having jurisdiction over the subject matter of this Amendment, for approval subject to Section 252(e) of the federal Telecommunications Act of 1996.

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be executed by their respective duly authorized representatives on the date indicated below.

BellSouth Telecommunications, Inc.

By: _____
Jerry Hendrix – Executive Director

Date: _____

DIECA COMMUNICATIONS, INC.
d/b/a Covad Communications Company

By: _____

Date: _____

EXHIBIT 1-TN

**BELLSOUTH/DIECA
NETWORK ELEMENTS
AND OTHER SERVICES**

**Attachment 11
Exhibit 9-TN
Rate Table**

DESCRIPTION		USOC	TN
Unbundled Loop Modification/Conditioning			
NRC - Load Coil/Equipment Removal per 2 Wire pair - Loops less than or equal to 18kft **		ULM2L	\$65.40
NRC - Load Coil/Equipment Removal per 2 Wire pair - Loops greater than 18kft - 1st **		ULM2G	\$710.71
NRC - Load Coil/Equipment Removal per 2 Wire pair - Loops greater than 18kft - Add'l **		ULM2G	\$23.77
NRC - Load Coil/Equipment Removal per 4 Wire pair - Loops less than or equal to 18kft **		ULM4L	\$65.40
NRC - Load Coil/Equipment Removal per 4 Wire pair - Loops greater than 18kft - 1st **		ULM4G	\$710.71
NRC - Load Coil/Equipment Removal per 4 Wire pair - Loops greater than 18kft - Add'l **		ULM4G	\$23.77
NRC - Bridge Tap Removal per pair unloaded **		ULMBT	\$65.44
Loop Make Up			
NRC - Loop Makeup - Preordering Without Reservation, per working facility queried (Manual) **		UMKLW	\$100.00
Loop Makeup - Preordering Without Reservation, per spare facility queried (Manual) Maximum number of spare facilities per manual LMUSI is 3. **		UMKLW	\$100.00
NRC-Loop Makeup - Preordering With Reservation, per spare facility queried (Manual) Max number of spare facilities per manual LMUSI is 3. **		UMKLP	\$100.00
NRC - Loop Makeup - Preordering Without Reservation, per working facility queried (Mechanized) **			\$0.6888
Loop Makeup - Preordering Without Reservation, per spare facility queried (Mechanized) Max number of spare facilities per mechanized LMUSI is 10. **			\$0.6888
Loop Makeup - Preordering With Reservation, per spare facility queried (Mechanized) Max number of spare facilities per mechanized LMUSI is 10. **			\$0.6888

EXHIBIT 1-TN**BELLSOUTH/DIECA
NETWORK ELEMENTS
AND OTHER SERVICES****Attachment 2**

LINE SHARING		
	2-Wire analog VG (SL1) for Line Sharing	
	RC - per month (See Note) **	\$12.16
	NRC - 1st (See Note) **	\$31.99
	NRC - Add'l (See Note) **	\$20.02
	System Splitter - 96 Line Capacity	
	RC - Per month **	ULSDA \$100.00
	NRC - 1st **	ULSDA \$150.00
	NRC - Addl **	ULSDA \$0.00
	NRC - Disconnect 1st **	ULSDA \$150.00
	NRC - Disconnect Add'l **	ULSDA \$0.00
	System Splitter - 24 Line Capacity	
	RC - Per month **	ULSDB \$25.00
	NRC - 1st **	ULSDB \$150.00
	NRC - Addl **	ULSDB \$0.00
	NRC - Disconnect 1st **	ULSDB \$150.00
	NRC - Disconnect Add'l **	ULSDB \$0.00
	Loop Capacity, Line Activation Per Occurrence	
	RC - Per Month **	ULSDC \$3.48
	NRC - 1st **	ULSDC \$40.00
	NRC - Addl **	ULSDC \$21.39
	Subsequent Activity - Per Occurrence	
	NRC - 1st **	ULSDS \$30.00
	NRC - Addl **	ULSDS \$15.00
	** Interim Rates subject to true-up	
Note:	The recurring interim and nonrecurring interim rates in TN for 2-Wire analog VG (SL1) for Line Sharing is for a stand-alone loop purchased by DIECA to provide both analog voice service and xDSL services or in the event DIECA wishes to continue providing xDSL services to an end-user who terminates its BellSouth-provided voice service. These rates apply when DIECA purchases the splitter from BellSouth.	

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been forwarded via U.S. Mail, postage prepaid, to the following on this the 13th day of November, 2000.

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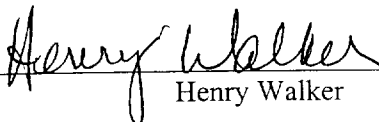
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